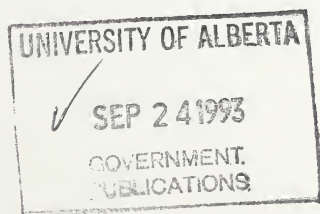


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# **Public Accounts 1992-93 Volume 1**

## **Consolidated Financial Statements of the Province of Alberta**





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**Public Accounts  
1992-93  
Volume 1**

**Consolidated Financial Statements  
of the Province of Alberta**



## **PUBLIC ACCOUNTS 1992-93**


### **PREFACE**

The Public Accounts of Alberta are prepared in accordance with the provisions of section 77 of the Financial Administration Act. The Public Accounts are presented in three volumes.

**This volume contains the consolidated financial statements of the Province of Alberta.**

Volume 2 contains the financial statements of the General Revenue Fund, details of General Revenue Fund expenditure and revenue by department, financial statements of revolving funds and regulated funds, and reports that are required to be included with the Public Accounts in accordance with the Financial Administration Act and other statutes, or by direction of the Provincial Treasurer.

Volume 3 contains the financial statements of Provincial agencies, commercial enterprises and Crown-controlled corporations. Financial statements of subsidiaries of Provincial agencies are also included in Volume 3.



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# 1992-93

## PUBLIC ACCOUNTS

### CONSOLIDATED FINANCIAL STATEMENTS OF THE PROVINCE OF ALBERTA

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CONSOLIDATED FINANCIAL STATEMENTS  
OF THE PROVINCE OF ALBERTA  
FOR THE YEAR ENDED MARCH 31, 1993

Introduction:

The financial statements in this volume are consolidations of the financial statements of the General Revenue Fund, revolving funds, regulated funds, Provincial agencies and Crown-controlled corporations, including those agencies and corporations designated as commercial enterprises, for which separate financial statements or summaries are presented in volumes 2 and 3.

The methods of consolidation are described in the Accounting Policy note that forms part of the financial statements.



PROVINCE OF ALBERTA  
CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 1993

Auditor's Report  
Consolidated Statement of Revenue and Expenditure  
Consolidated Statement of Assets, Liabilities and Net Debt  
Consolidated Statement of Changes in Net Debt  
Consolidated Statement of Changes in Financial Position  
Notes to the Consolidated Financial Statements  
Schedules to the Consolidated Financial Statements

AUDITOR'S REPORT

To the Members of the  
Legislative Assembly

I have audited the consolidated statement of assets, liabilities and net debt of the Province of Alberta as at March 31, 1993 and the consolidated statements of revenue and expenditure, changes in net debt and changes in financial position for the year then ended. These financial statements are the responsibility of Treasury Department management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Province of Alberta as at March 31, 1993 and the results of its operations, the changes in its net debt and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting as described in Note 1 to the consolidated financial statements. As required by the Auditor General Act, I report that, in my opinion, the disclosed basis of accounting has been applied, after giving retroactive effect to the changes in accounting policies without restatement as explained in Note 2 to the consolidated financial statements, on a basis consistent with that of the preceding year.

Donald D. Salmon, FCA  
Auditor General

Edmonton, Alberta  
August 17, 1993

PROVINCE OF ALBERTA  
 CONSOLIDATED STATEMENT OF REVENUE AND EXPENDITURE  
 FOR THE YEAR ENDED MARCH 31, 1993

	In millions	
	1993	1992
<b>Revenue (Schedule 1):</b>		
Taxes	\$ 4,695	\$ 5,016
Payments from Government of Canada	2,384	2,086
Non-renewable resource revenue	2,183	2,022
Investment income	1,621	2,155
Fees, permits and licences	1,027	935
Net profits from commercial operations	462	8
Other revenue	852	619
	<u>13,224</u>	<u>12,841</u>
<b>Expenditure (Schedules 2 and 3):</b>		
Health	4,336	4,098
Education	3,125	2,960
Social services	1,880	1,746
Agriculture and economic development	1,718	1,700
Transportation and utilities	849	881
Regional planning and development	841	939
Protection of persons and property	580	579
Environment and resource conservation	287	312
Recreation and culture	246	271
Housing	140	161
Alberta local employment transfer	200	—
General government		
Debt servicing costs	1,109	1,067
Other	592	591
	<u>15,903</u>	<u>15,305</u>
<b>Valuation adjustments and other provisions</b>		
<b>except pension provisions (Schedule 4)</b>	730	165
	<u>16,633</u>	<u>15,470</u>
Deficit before pension provisions	3,409	2,629
Pension provisions	364	—
<b>Deficit</b>	<u>\$ 3,773</u>	<u>\$ 2,629</u>

The accompanying notes are part of these financial statements.

PROVINCE OF ALBERTA  
CONSOLIDATED STATEMENT OF ASSETS, LIABILITIES AND NET DEBT  
MARCH 31, 1993

	In millions	
	1993	1992
<b>Assets:</b>		
Cash and marketable securities (Schedule 5)	\$ 3,762	\$ 4,774
Accounts receivable	1,189	1,600
Portfolio investments (Schedule 6)	2,572	7,933
Long-term investments (Schedule 7)	1,285	1,448
Loans and advances (Schedule 8)	8,509	8,966
Inventories held for resale (Schedule 9)	499	431
	<u>17,816</u>	<u>25,152</u>
<b>Liabilities:</b>		
Accounts and loans payable	1,550	1,547
Unearned revenue and suspense	68	60
Deficiency in commercial enterprises (Schedule 10)	626	655
Unmatured debt (Schedule 11)	20,181	17,403
Guarantees and indemnities (Schedule 12)	518	442
Pension obligations (Schedule 13)	4,799	—
Other accrued liabilities (Schedule 14)	1,326	—
Restricted profits and equity (Schedule 15)	572	7,210
	<u>29,640</u>	<u>27,317</u>
<b>Net debt</b>	<u>\$ 11,824</u>	<u>\$ 2,165</u>

The accompanying notes are part of these financial statements.

PROVINCE OF ALBERTA  
CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT  
FOR THE YEAR ENDED MARCH 31, 1993

	In millions	
	1993	1992
<b>Net debt (assets) at beginning of year:</b>		
As previously reported	\$ 2,165	\$ (464)
Adjustments to reflect changes in accounting policy applied retroactively without restatement of prior periods:		
Provision for future contributions and/or benefits to pension plans of other public sector organizations	3,212	—
Provision for employee benefits:		
Pension contributions and/or benefits	1,223	—
Vacation entitlements	162	—
Long term disability benefits	75	—
Provision for loans and advances repayable from future appropriations	1,080	—
Decrease in loans and investments in loans due to change in accounting policy for concessionary loans	228	—
Decrease in deficiency in commercial enterprises due to change in accounting policy in consolidating Crown-controlled corporations	(85)	—
Other	(9)	—
	<u>5,886</u>	<u>—</u>
As restated	8,051	(464)
Deficit for the year	3,773	2,629
<b>Net debt at end of year</b>	<u>\$ 11,824</u>	<u>\$ 2,165</u>

The accompanying notes are part of these financial statements.

PROVINCE OF ALBERTA  
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION  
FOR THE YEAR ENDED MARCH 31, 1993

	In millions	
	<u>1993</u>	<u>1992</u>
<b>Operating transactions:</b>		
Deficit	\$ 3,773	\$ 2,629
Non-cash items included in deficit	(993)	(27)
Restricted profits and equity	237	(679)
Other, net	223	(411)
Cash applied to operating transactions	<u>3,240</u>	<u>1,512</u>
<b>Investing transactions:</b>		
Portfolio investments	161	3,137
Loans and advances	952	905
Proceeds from disposals, repayments and redemptions of portfolio investments	(147)	(2,148)
Repayment of loans and advances	(936)	(1,130)
Other, net	(85)	(1,132)
Cash provided by investing transactions	<u>(55)</u>	<u>(368)</u>
<b>Financing transactions:</b>		
Debt retirement	24,826	24,101
Debt issues	(26,999)	(25,599)
Cash provided by financing transactions	<u>(2,173)</u>	<u>(1,498)</u>
Increase (decrease) in cash and marketable securities	(1,012)	354
Cash and marketable securities at beginning of year	4,774	4,420
Cash and marketable securities at end of year	<u>\$ 3,762</u>	<u>\$ 4,774</u>

The accompanying notes are part of these financial statements.

PROVINCE OF ALBERTA  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 1993

Note 1 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies:

(a) **Reporting Entity**

These financial statements include the accounts of most government entities including the General Revenue Fund, revolving funds, the Alberta Heritage Savings Trust Fund and other regulated funds, Provincial agencies, comprising Provincial corporations and Provincial committees, and Crown-controlled corporations. Some Provincial agencies, such as universities, colleges and hospitals, are not included in the consolidated financial statements.

(b) **Method of Consolidation**

The accounts of the General Revenue Fund, revolving funds, regulated funds and Provincial agencies, except those designated as commercial enterprises, are consolidated after adjusting them to a basis consistent with the accounting policies described below in (c). Inter-fund, agency revenue and expenditure transactions, investing and financing transactions, and related asset and liability accounts have been eliminated.

The accounts of Crown-controlled corporations and Provincial agencies designated as commercial enterprises are recorded on an equity basis, the equity being computed in accordance with generally accepted accounting practices applicable to those enterprises.

The reporting period of some Provincial agencies and Crown-controlled corporations is other than March 31. Transactions of these agencies and corporations that have occurred during the period to March 31, 1993 and that significantly affect the consolidation have been recorded.

(c) **Basis of Financial Reporting**

**Revenues**

Net personal income taxes are reported on the basis of the cash received prior to the year end from the Government of Canada based on its estimate of the amount due to the Province under the terms of a tax collection agreement. Net corporate income taxes, financial institutions capital tax and insurance corporations tax are collected by the Province and reported on a cash basis. Non-renewable resource royalty revenue consists of cash received in the year on account of the current and previous fiscal years and cash expected to be received in the three months following the year end relating to previous fiscal years. Other revenues are reported on an accrual basis.

**Expenditures**

Expenditures represent the cost of goods and services acquired during the year and expenditures made or accrued in accordance with the conditions of approved grant programs, including capital acquisitions, expenditures on capital programs and grants for capital purposes.

Obligations under guarantees and indemnities are charged to expenditure when management determines that the Province will likely be called upon to make payment. The charge represents management's estimate of future payments less recoveries.

Pension costs charged to programs in respect of defined benefit public sector pension plans for provincial and other public sector employees, judges and masters in chambers, and Members of the Legislative Assembly comprise the Province's contributions as employer for services rendered during the fiscal year, additional contributions by the Province as employer for pre-1992 service, and further additional contributions by the Province as Government in respect of pre-1992 service. Also included in expenditure is the estimated increase for the year in the Province's share of unfunded pension contributions and/or benefit obligations under these pension plans for service provided to March 31, 1993.

The estimated increase or decrease for the year in accrued employee vacation entitlements and long term disability benefits is included in expenditure by a charge or credit to other provisions.

The estimated increase for the year in the Province's obligations to provide funding from future appropriations to school boards to assist them to repay the principal portion of debentures issued by school boards to the Alberta Municipal Financing Corporation is also included in expenditure by a charge to other provisions.

No provision is made in the financial statements for commitments, details of which are disclosed in Note 3.

**Assets**

Assets are limited to financial claims on outside organizations and individuals and inventories held for resale at the year end. Financial institutions capital tax, insurance corporations tax and net personal and corporate income taxes receivable are not reported.

Marketable securities are valued at cost or market value, whichever is lower, on an aggregate basis.

Portfolio investments are carried at cost except that real estate is carried at the lower of cost and appraised value. Realized gains and losses on disposals of these investments are included in the determination of the deficit.

Loans and investments in loans are reported at their face value except for loans made on significant concessionary terms which are discounted by the amount of concessions. The amount of the discount is amortized to revenue over the term of the loan, except when the collectibility of either the principal or interest related to the loan transaction is not reasonably assured.

Other long-term investments are recorded at cost.

Where there has been a loss in value of an investment that is other than a temporary decline, the investment is written down to recognize the loss. The written down value is deemed to be the new cost.

Real estate held for rental and resale is valued at the lower of cost and net realizable value, on an aggregate basis. Inventories representing the Province's share of royalty oil in feeder and trunk pipe lines are stated at actual net realizable value. Other inventories are valued at the lower of cost, determined on a first-in, first-out basis, and estimated net realizable value.

Consistent with the reporting of capital acquisitions as expenditure, capital assets are not reported.

### **Liabilities**

Liabilities include all financial claims payable by the Province at the year end.

Debentures included in unmatured debt are recorded at the face amount of the issue less unamortized discount, which includes issue expenses and hedging costs.

Foreign currency transactions are translated into Canadian dollars using average rates of exchange, except for hedged foreign currency transactions which are translated at rates of exchange established by the terms of the forward exchange contracts. Exchange differences on unhedged transactions are included in the determination of the deficit.

As described more fully in Note 2, effective April 1, 1992, liabilities also include the following:

- estimates of the present value of the Province's obligations for future pension contributions and/or benefits under defined benefit pension plans for provincial and other public sector employees, judges and masters in chambers, and Members of the Legislative Assembly,
- accrued employee vacation entitlements and long term disability benefits, and
- the Province's obligation to provide funding to school boards from future appropriations to assist them to repay the principal portion of debentures issued by school boards to the Alberta Municipal Financing Corporation.

### **Note 2 Changes in Accounting Policy**

The Province changed several of its accounting policies with retroactive effect from April 1, 1992 as follows.

#### **(a) Pension Obligations and Other Employee Benefits**

Previously, pension costs in respect of defined benefit pension plans for provincial employees, judges and masters in chambers, and Members of the Legislative Assembly comprised only the Province's contributions for services rendered during the fiscal year. No provision was made for additional expenditure to reflect the present value of accrued pension benefits determined by actuarial valuation. Similarly, no provision was made for employee vacation entitlements and long term disability benefits. Assets and equities of the Pension Fund, the Provincial Judges and Masters in Chambers Pension Fund and the Long-Term Disability Benefit Funds were included as assets and restricted equity of the Province.

Effective April 1, 1992, liabilities have been recorded to reflect the present value of the Province's share of future contributions and/or benefits that will be paid by the Province under defined benefit pension plans for provincial and other public sector employees, judges and masters in chambers, and Members of the Legislative Assembly. Effective April 1, 1992, accrued employee vacation entitlements and long term disability benefits have also been recorded. Any increase or decrease during the year in accrued pension benefits, employee vacation entitlements and long term disability benefits is now included in expenditure by a charge or credit to other provisions.

Assets and equities of the Pension Fund, the Provincial Judges and Masters in Chambers Pension Fund and the Long-Term Disability Benefit Funds are now excluded from the assets and restricted equity of the Province. The assets of these funds are now taken into account in determining the Province's obligations under pension and other benefit plans.

#### **(b) Loans Repayable from Future Appropriations and Loans Made on Significantly Concessionary Terms**

Effective April 1, 1992, the Province's obligation to provide funding to school boards from future appropriations to assist them to repay the principal portion of debentures issued by school boards to the Alberta Municipal Financing Corporation is accounted for as a liability. Any increase or decrease during the year in the amount repayable from future appropriations is included in



expenditure by a charge or credit to other provisions.

Also effective April 1, 1992, the Province changed its accounting policy for loans made on significantly concessionary terms. These are now discounted to their economic value at the time the loan is made. The discount is amortized to revenue over the term of the loan, except when the collectibility of either the principal or interest related to the loan is not reasonably assured. Previously, loans made on significantly concessionary terms were accounted for at cost.

**(c) Crown-controlled Corporations**

In prior years, the estimated deficiency in Crown-controlled corporations was reported as guarantees and indemnities. Equity in Crown-controlled corporations arising as a result of guarantees and indemnities was not reported. Effective April 1, 1992, equity or deficiency in Crown-controlled corporations is recorded on an equity basis and reported as equity or deficiency in commercial enterprises. The equity or deficiency is computed in accordance with generally accepted accounting practices.

These policy changes have all been applied retroactively by adjustment of opening net debt. Prior period revenues and expenditures have not been restated as the related adjustments are not determinable. If the changes in accounting policy had not been made, the deficit for the year and net debt at the end of the year would have been \$3,383,000,000 and \$5,548,000,000 respectively.

**Note 3 Commitments**

(tabular amounts in millions)

Set out below are details of commitments to outside organizations and individuals.

**(a) Alberta-Metis Settlements Accord**

The Metis Settlements Accord Implementation Act was proclaimed on November 1, 1990. This Act implements the Alberta-Metis Settlements Accord signed on July 1, 1989 which provides that \$310,000,000 is to be paid from the General Revenue Fund at \$30,000,000 a year for seven years beginning April 1, 1990, followed by ten annual payments of \$10,000,000 beginning April 1, 1997. Payments of \$220,000,000 (1992 \$250,000,000) remain to be made from the General Revenue Fund at March 31, 1993. Certain matching payments will also be required to be made to settlement councils under the Act between 1997 and 2007.

**(b) Other Commitments**

	<u>1993</u>	<u>1992</u>
Obligations under long-term leases, contracts and programs	\$1,386	\$1,575
Long-term investments authorized and undisbursed	89	302
Loans and advances approved and undisbursed	40	31
	<u>\$1,515</u>	<u>\$1,908</u>

**Note 4 Contingent Liabilities**

Set out below are details of contingent liabilities resulting from guarantees, indemnities and litigation, other than those reported as liabilities and shown in Schedule 12.

Management considers that these contingent liabilities will not result in any material adverse effect on the Province.

**(a) Debenture and Loan Guarantees**

Debenture and loan guarantees amounting to \$3,323,000,000 (1992 \$3,777,000,000) are analyzed in Schedule 16.

**(b) Indemnities**

The Province has agreed with the Canada Deposit Insurance Corporation to indemnify the Corporation for loss occurring by reason of its obligation to make payment in respect of any deposit insured by a policy of deposit insurance issued to North West Trust Company.

**(c) Native Land and Mineral Rights Claims**

The Province has a contingent liability in respect of a statement of claim filed on February 19, 1982 in the Alberta Court of Queen's Bench. The plaintiffs are the members of the Lubicon Lake Band and the Cree Community of Little Buffalo Lake. The defendants are the Province of Alberta and a number of oil companies. The plaintiffs claim entitlement to at least 92 square miles of land in Northwestern Alberta as a reserve. They are also claiming \$700,000,000 in lieu of royalties and revenues, \$100,000,000 for waste and destruction, \$50,000,000 for discrimination and denial of fundamental rights, or alternatively a reserve of 92 square miles including mines and minerals together with \$200,000,000 damages, and interest on all amounts.

The Province also has a contingent liability in respect of four other native land or mineral rights claims in which the amounts claimed are unspecified.

The resulting loss, if any, from these claims cannot be determined.

**(d) Other Claims**

At March 31, 1993 the Province was named as defendant in various legal actions in addition to those noted above. The total claimed in specific legal actions amounts to approximately \$774,000,000 (1992 \$680,000,000).

**Note 5 Comparison of Planned and Actual Results**

(tabular amounts in millions)

A comparison of budgeted and actual deficit (surplus) is as follows:

	1993		1992	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
General Revenue Fund and				
Alberta Capital Fund	\$2,542	\$3,882	\$ 82	\$2,276
Alberta Heritage Savings				
Trust Fund	102	85	110	84
	<u>\$2,644</u>	<u>3,967</u>	<u>\$ 192</u>	<u>2,360</u>
Other regulated funds		(70)		217
Provincial agencies		(87)		40
Commercial enterprises		(37)		12
Consolidated deficit		<u>\$3,773</u>		<u>\$2,629</u>

The budgeted and actual figures are before elimination of inter-entity transactions but after adjustments necessary to bring the reporting entities to the same basis of accounting as described in Note 1(c). The budgeted figures have not been adjusted to reflect the changes in accounting policy referred to in Note 2.

**Note 6 Subsequent Events****(a) Debt Issues**

Subsequent to the year end, the Province issued approximately \$294,000,000 of Alberta Capital Bonds (1993) and \$500,000,000 of ten year bonds to finance capital construction projects, for general operations, and to refinance existing debt.

**(b) Sale of Assets**

In May 1993, the Province sold all of its common shares of Alberta Energy Company Ltd. to the public. Net proceeds from this disposition amounted to approximately \$457,000,000.

**Note 7 Trust Funds Under Administration**

(tabular amounts in millions)

Trust funds under administration are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purposes of various trusts, they are not included in the consolidated financial statements.

At March 31, 1993, trust funds under administration were as follows:

	<u>1993</u>	<u>1992</u>
Teachers' Retirement Fund	\$ 655	\$ 638
Public Trustee	264	255
Improvement Districts' Trust Account	201	193
Special Areas Trust Account	61	60
Hospitals and Nursing Homes Construction Accounts	60	57
Various Courts and Sheriffs' Offices	51	43
Miscellaneous trust funds	120	111
	<u>\$1,412</u>	<u>\$1,357</u>

**Note 8 Comparative Figures**

The 1992 figures have been reclassified where necessary to conform to 1993 presentation.

**Note 9 Approval of Financial Statements**

These financial statements were approved by the Deputy Provincial Treasurer - Management and Control and the Controller.



## PROVINCE OF ALBERTA

PROVINCE OF ALBERTA  
 SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 1993

Schedule 1

## REVENUE

	In millions	
	1993	1992
Taxes:		
Personal income tax	\$ 2,794	\$ 3,057
Corporate income tax	637	731
Fuel tax	519	482
Tobacco tax	313	322
Business property tax for schools	208	199
Other	224	225
	<u>4,695</u>	<u>5,016</u>
Payments from Government of Canada:		
Canada assistance plan	608	611
Hospital insurance	493	427
Crop insurance, reinsurance and revenue protection	381	203
Post-secondary education	282	239
Utility companies income tax transfers	176	157
Health care insurance	170	147
Extended health care	138	131
Other	136	171
	<u>2,384</u>	<u>2,086</u>
Non-Renewable Resource Revenue:		
Royalties, rentals and fees, bonuses and sales of Crown leases	2,429	2,300
Royalty tax credit	(246)	(278)
	<u>2,183</u>	<u>2,022</u>
Investment Income	<u>1,621</u>	<u>2,155</u>
Fees, Permits and Licences	<u>1,027</u>	<u>935</u>
Net Profits from Commercial Operations	<u>462</u>	<u>8</u>
Other		
Interprovincial Lottery Act transfers	135	117
Transfer from restricted profits and equity	300	—
Miscellaneous	417	502
	<u>852</u>	<u>619</u>
	<u>\$ 13,224</u>	<u>\$ 12,841</u>

Schedule 2

## OPERATING AND CAPITAL EXPENDITURE BY MAJOR FUNCTION

	In millions			
	Expenditure			
	1993			1992
	Operating	Capital	Total	Total
Health	\$ 4,138	\$ 198	\$ 4,336	\$ 4,098
Education	2,998	127	3,125	2,960
Social Services	1,873	7	1,880	1,746
Agriculture and Economic Development	1,589	129	1,718	1,700
Transportation and Utilities	349	500	849	881
Regional Planning and Development	825	16	841	939
Protection of Persons and Property	576	4	580	579
Environment and Resource Conservation	192	95	287	312
Recreation and Culture	218	28	246	271
Housing	107	33	140	161
Alberta Local Employment Transfer	200	—	200	—
General Government				
Debt servicing costs	1,109	—	1,109	1,067
Other	480	112	592	591
1993 Total	<u>\$ 14,654</u>	<u>\$ 1,249</u>	<u>\$ 15,903</u>	
1992 Total	<u>\$ 13,905</u>	<u>\$ 1,400</u>		<u>\$ 15,305</u>

## Schedule 3

## EXPENDITURE BY OBJECT

	In millions	
	<u>1993</u>	<u>1992</u>
Grants	\$ 10,583	\$ 9,911
Interest	1,769	1,776
Salaries, wages, employment contracts and benefits	1,615	1,636
Services	1,412	1,397
Materials and supplies	203	233
Capital assets	158	159
Travel and communication	123	136
Other expenses	40	57
	<u>\$ 15,903</u>	<u>\$ 15,305</u>

## Schedule 4

VALUATION ADJUSTMENTS AND OTHER PROVISIONS,  
EXCEPT PENSION PROVISIONS

	In millions	
	<u>1993</u>	<u>1992</u>
Provision for doubtful accounts, loans, guarantees and indemnities	\$ 340	\$ 88
Write-down of investments and provision for decline in market value	254	105
Amortization of deferred unrealized exchange gains and losses on debt payable in United States dollars	50	(28)
Provision for employee benefits other than pensions	2	—
Provision for loans and advances repayable from future appropriations	84	—
	<u>\$ 730</u>	<u>\$ 165</u>

## CASH AND MARKETABLE SECURITIES

	In millions			
	1993		1992	
	Book Value	Market Value	Book Value	Market Value
Bonds:				
Government of Canada, direct and guaranteed	\$ 952	\$ 966	\$ 1,272	\$ 1,276
Provincial, direct and guaranteed	491	502	492	497
Foreign governments, guaranteed	8	8	—	—
Board of Governors of the University of Alberta	4	4	5	5
Municipalities, school and hospital boards	13	14	13	13
Corporate	151	155	169	172
Bond coupons and residuals:				
Government of Canada, direct	106	106	137	138
Provincial, direct and guaranteed	77	80	12	13
Mortgage-backed securities:				
Government of Canada guaranteed	388	395	162	164
Mid-term money market securities:				
Certificates of deposit and guaranteed investment certificates	271	276	368	371
Promissory notes	152	154	132	135
Bankers' acceptances	26	26	60	60
Common shares	4	4	10	9
	<u>2,643</u>	<u>2,690</u>	<u>2,832</u>	<u>2,853</u>
Short-term money market securities (a):				
Bearer deposit notes	164	164	29	29
Certificates of deposit and guaranteed investment certificates	144	144	172	172
Treasury bills	138	138	347	347
Promissory notes and call loans	86	86	221	221
Bankers' acceptances	76	76	341	341
U.S. dollar money market fund units	1	1	41	41
Fully hedged deposit receipts	—	—	82	82
	<u>609</u>	<u>609</u>	<u>1,233</u>	<u>1,233</u>
Cash and cash equivalents, net	<u>510</u>	<u>510</u>	<u>709</u>	<u>709</u>
	<u>\$ 3,762</u>	<u>\$ 3,809</u>	<u>\$ 4,774</u>	<u>\$ 4,795</u>

(a)The market value of short-term money market securities is estimated to approximate cost.

## Schedule 6

## PORTFOLIO INVESTMENTS

	1993		1992	
	Book Value	Market Value	Book Value	Market Value
Bonds:				
Government of Canada, direct and guaranteed	\$ 203	\$ 231	\$ 1,654	\$ 1,738
Provincial, direct and guaranteed	1,196	1,361	1,529	1,648
Municipal	6	7	38	39
Foreign governments, guaranteed	—	—	20	21
Corporate	18	19	342	350
Corporate, convertible	301	307	340	324
Bond coupons and residuals:				
Government of Canada, direct	166	163	482	442
Provincial, direct and guaranteed	5	4	64	66
Mortgage-backed securities:				
Government of Canada guaranteed	15	16	123	129
Mortgages	40	45	355	373
Mid-term money market securities:				
Certificates of deposit and guaranteed investment certificates	54	55	233	226
Promissory notes	3	3	68	69
Deferred unamortized realized gains and losses	—	—	(57)	—
	<u>2,007</u>	<u>2,211</u>	<u>5,191</u>	<u>5,425</u>
Common shares, preferred shares, and warrants	565	787	2,501	3,022
Real estate	—	—	241	241
	<u>\$ 2,572</u>	<u>\$ 2,998</u>	<u>\$ 7,933</u>	<u>\$ 8,688</u>

## Schedule 7

## LONG-TERM INVESTMENTS

	In millions	
	1993	1992
Corporate debentures:		
Vencap Equities Alberta Ltd., Participating debenture	\$ 127	\$ 200
Ridley Grain Ltd., Participating first mortgage bonds	126	127
Alberta Pacific Pulp Mill Project Variable rate debentures -		
Crestbrook Forest Industries Ltd.	78	27
Kanzaki Paper Canada Inc.	49	17
MC Forest Investments Inc.	69	24
Millar Western Pulp Ltd., Participating debenture	74	120
Preferred shares:		
Smoky River Coal Ltd.	4	4
Alberta Genetics Inc., Class X	1	4
EDO (Canada) Limited	—	4
Native Venture Capital Co. Ltd., Class A	—	4
Tycor International Inc., Class C	—	1
Common shares:		
Alberta Energy Company Ltd.	183	175
EDO (Canada) Limited	—	2
Venture equity:		
Participation in Syncrude Project	499	518
Participation in Lloydminster Bi-provincial Upgrader Project	75	221
	<u>\$ 1,285</u>	<u>\$ 1,448</u>

## Schedule 8

## LOANS AND ADVANCES

	In millions	
	1993	1992
Loans and advances made under the authority of:		
Alberta Municipal Financing Corporation Act	\$ 5,389	\$ 5,317
Farm Credit Stability Fund Act	1,563	1,841
Agricultural Development Act	944	1,021
Alberta Mortgage and Housing Corporation Act	490	690
Alberta Opportunity Fund Act	119	142
Small Business Term Assistance Fund Act	104	152
Financial Administration Act	65	62
Rural Electrification Revolving Fund Act and		
Rural Electrification Long Term Financing Act	20	39
Municipal Land Loans Act	5	6
Motion Picture Development Act	—	5
	<u>8,699</u>	<u>9,275</u>
Implemented guarantees and indemnities		
made under the authority of:		
Financial Administration Act	84	87
Other	13	10
	<u>97</u>	<u>97</u>
Judgement debts	<u>1</u>	<u>1</u>
	8,797	9,373
Less: Allowance for doubtful loans, advances, implemented		
guarantees and indemnities, and judgement debts	288	407
	<u>\$ 8,509</u>	<u>\$ 8,966</u>

## Schedule 9

## INVENTORIES HELD FOR RESALE

	In millions	
	1993	1992
Real estate held for rental and resale	\$ 329	\$ 337
Royalty oil	157	81
Other inventories for resale	13	13
	<u>\$ 499</u>	<u>\$ 431</u>

## Schedule 10

## DEFICIENCY IN COMMERCIAL ENTERPRISES

In millions

	Alberta Intermodal Services Ltd.	Alberta Liquor Control Board	Chembiomed Ltd.	Credit Union Deposit Guarantee Corporation	Gainers Inc.	Northern Lite Canola Inc.	Northern Steel Inc.	North West Trust Company	S C Financial Ltd.
Adjusted deficiency (equity) at beginning of year	<u>\$(35)</u>	<u>\$ (132)</u>	<u>\$12</u>	<u>\$(34)</u>	<u>\$ 86</u>	<u>\$(13)</u>	<u>\$—</u>	<u>\$ (85)</u>	<u>\$—</u>
Total revenue	23	992	1	14	435	61	1	90	24(b)
Total expenditure	21	1,002(a)	2	10	456	65	—	86	24
Net expenditure (revenue)	<u>(2)</u>	<u>10</u>	<u>1</u>	<u>(4)</u>	<u>21</u>	<u>4</u>	<u>(1)</u>	<u>(4)</u>	<u>—</u>
Redemption (issues) of capital stock	—	—	—	—	—	—	—	—	—
Adjusted deficiency (equity) at end of year	<u><u>\$(37)</u></u>	<u><u>\$ (122)</u></u>	<u><u>\$13</u></u>	<u><u>\$(38)</u></u>	<u><u>\$107</u></u>	<u><u>\$ (9)</u></u>	<u><u>\$ (1)</u></u>	<u><u>\$ (89)</u></u>	<u><u>\$—</u></u>
Represented by									
Assets:									
Cash and marketable securities	\$ 20	\$ 7	\$ 2	\$ 33	\$ —	\$ (3)	\$ 1	\$ 42	\$—
Accounts receivable	3	1	—	3	23	5	—	—	—
Inventories	—	36	—	—	22	7	—	—	—
Investments	—	—	—	8	12	—	—	45	—
Loans	—	—	—	—	—	—	—	751	—
Capital assets	15	114	6	—	40	11	—	6	—
Other assets	1	—	—	—	2	2	—	4	—
Total assets	<u>39</u>	<u>158</u>	<u>8</u>	<u>44</u>	<u>99</u>	<u>22</u>	<u>1</u>	<u>848</u>	<u>—</u>
Liabilities:									
Accounts payable	2	36	1	6	46	13	—	759	—
Unearned revenue	—	—	—	—	2	—	—	—	—
Unmatured debt	—	—	20	—	158	—	—	—	—
Total liabilities	<u>2</u>	<u>36</u>	<u>21</u>	<u>6</u>	<u>206</u>	<u>13</u>	<u>—</u>	<u>759</u>	<u>—</u>
Adjusted deficiency (equity) at end of year	<u><u>\$(37)</u></u>	<u><u>\$ (122)</u></u>	<u><u>\$13</u></u>	<u><u>\$(38)</u></u>	<u><u>\$107</u></u>	<u><u>\$ (9)</u></u>	<u><u>\$ (1)</u></u>	<u><u>\$ (89)</u></u>	<u><u>\$—</u></u>
Elimination of inter fund/agency balances:									
Adjusted deficiency (equity) at end of year	<u>\$(37)</u>	<u>\$ (122)</u>	<u>\$13</u>	<u>\$(38)</u>	<u>\$107</u>	<u>\$ (9)</u>	<u>\$ (1)</u>	<u>\$ (89)</u>	<u>\$—</u>
Investments by consolidated entities:									
Common shares	—	—	—	—	—	—	—	(44)	—
Bonds, debentures and mid-term deposits	—	—	—	—	—	—	—	—	—
Loans, advances and receivables	—	—	(7)	(4)	(61)	—	—	—	—
	<u>(37)</u>	<u>(122)</u>	<u>6</u>	<u>(42)</u>	<u>46</u>	<u>(9)</u>	<u>(1)</u>	<u>(133)</u>	<u>—</u>
Net investment and receivable of commercial enterprises in/from consolidated entities	—	—	—	—	—	—	—	—	4
Total deficiency (equity) - 1993	<u><u>\$(37)</u></u>	<u><u>\$ (122)</u></u>	<u><u>\$ 6</u></u>	<u><u>\$(42)</u></u>	<u><u>\$ 46</u></u>	<u><u>\$ (9)</u></u>	<u><u>\$ (1)</u></u>	<u><u>\$(133)</u></u>	<u><u>\$ 4</u></u>
Total deficiency (equity) - 1992	<u><u>\$(35)</u></u>	<u><u>\$ (132)</u></u>	<u><u>\$—</u></u>	<u><u>\$(37)</u></u>	<u><u>\$—</u></u>	<u><u>\$(13)</u></u>	<u><u>\$—</u></u>	<u><u>\$—</u></u>	<u><u>\$ 3</u></u>

(a) Includes net profit transfers of \$411,500,000 (1992 \$430,500,000) to the General Revenue Fund.

(b) Includes transfers from the General Revenue Fund totalling \$20,793,000 (1992 \$30,421,000).

(c) Includes transfers from the General Revenue Fund totalling \$11,729,000 (1992 \$17,369,000).

(d) Includes transfers from the General Revenue Fund totalling \$8,471,000 (1992 \$424,929,000).

(e) At March 31, 1993 the Treasury Branches Deposits Fund had a potential liability under guarantees and letters of credit amounting to \$130,644,000 (1992 \$127,759,000).

(f) Includes transfers from the General Revenue Fund totalling \$3,682,000 (1992 \$9,700,000).

In millions

S C Properties Ltd.	The Alberta Government Telephones Commission	The Workers' Compensation Board	Treasury Branches Deposits Fund	354713 Alberta Ltd.	391760 Alberta Ltd.	1993	Total 1992
\$130	\$ —	\$ 601	\$ 117	\$ 19	\$(10)	\$ 656	\$ 579
27	119(d)	605	719	28(f)	2	3,141	3,100
26	119	579	701	31	4	3,126	3,110
(1)	—	(26)	(18)	3	2	(15)	10
—	—	—	—	—	3	3	27
<u>\$129</u>	<u>\$ —</u>	<u>\$ 575</u>	<u>\$ 99(e)</u>	<u>\$ 22</u>	<u>\$ (5)</u>	<u>\$ 644</u>	<u>\$ 616</u>
\$ 1	\$ 1	\$ 3	\$ 307	\$ 1	\$ 1	\$ 416	\$ 531
—	24	34	—	2	—	95	275
—	—	—	—	—	—	65	40
14	4	1,874	275	44	—	2,276	2,214
16	868	—	6,945	21	3	8,604	7,187
5	—	48	55	32	1	333	251
—	—	—	134	—	—	143	152
<u>36</u>	<u>897</u>	<u>1,959</u>	<u>7,716</u>	<u>100</u>	<u>5</u>	<u>11,932</u>	<u>10,650</u>
165	29	2,473	7,815	3	—	11,348	9,933
—	—	61	—	—	—	63	54
—	868	—	—	119	—	1,165	1,279
<u>165</u>	<u>897</u>	<u>2,534</u>	<u>7,815</u>	<u>122</u>	<u>—</u>	<u>12,576</u>	<u>11,266</u>
<u>\$129</u>	<u>\$ —</u>	<u>\$ 575</u>	<u>\$ 99(e)</u>	<u>\$ 22</u>	<u>\$ (5)</u>	<u>\$ 644</u>	<u>\$ 616</u>
\$129	\$ —	\$ 575	\$ 99	\$ 22	\$ (5)	\$ 644	\$ 616
—	—	—	—	—	—	(44)	—
—	(6)	—	—	—	—	(6)	(247)
—	(5)	—	—	—	—	(77)	(180)
<u>129</u>	<u>(11)</u>	<u>575</u>	<u>99</u>	<u>22</u>	<u>(5)</u>	<u>517</u>	<u>189</u>
—	—	51	10	44	—	109	466
<u>\$129</u>	<u>\$ (11)</u>	<u>\$ 626</u>	<u>\$ 109</u>	<u>\$ 66</u>	<u>\$ (5)</u>	<u>\$ 626</u>	—
<u>\$130</u>	<u>\$ 22</u>	<u>\$ 638</u>	<u>\$ 89</u>	<u>\$ —</u>	<u>\$(10)</u>	—	<u>\$ 655</u>

## Schedule 11

## UNMATURED DEBT

	In millions					
	Gross Unmatured Debt		Less		Net Unmatured Debt	
				Net Debt applied to reduce Equity in Commercial Enterprises		
	(a)	Sinking Funds Net (b)	Debt held by Consolidated Entities		1993	1992
Debt Issued by:						
General Revenue Fund	\$ 14,030	\$ —	\$ 1,890	\$ 31	\$ 12,109	\$ 9,733
Alberta Municipal Financing Corporation	5,174	213	147	30	4,784	4,449
Farm Credit Stability Fund	1,631	—	125	—	1,506	1,496
Alberta Capital Fund	1,663	—	—	—	1,663	1,441
Alberta Provincial Corporation Loan Fund	25	—	12	—	13	199
Alberta Mortgage and Housing Corporation	1,768	—	1,662	—	106	107
Alberta Resources Railway Corporation	25	25	—	—	—	(22)
Alberta Agricultural Development Corporation	1,013	—	1,013	—	—	—
Small Business Term Assistance Fund	106	—	106	—	—	—
Alberta Opportunity Company	128	—	128	—	—	—
	<u>\$ 25,563</u>	<u>\$ 238</u>	<u>\$ 5,083</u>	<u>\$ 61</u>	<u>\$ 20,181</u>	<u>\$ 17,403</u>

(a) Includes provision for exchange on debt payable in foreign currency funds and deferred unamortized exchange gains and losses.

(b) Includes adjustments for inter-fund holdings \$5,000,000 (1992 \$73,000,000).

Province of Alberta debt bears interest at rates from 6.40% to 16.25% per annum with maturity dates from April 1, 1993 to March 1, 2013.

Debt principal repayment requirements in each of the next five years are as follows:

1993-94	\$2,973,000,000	(includes U.S. \$562,000,000 fully hedged)
1994-95	1,545,000,000	(includes U.S. \$400,000,000 fully hedged)
1995-96	2,474,000,000	(includes U.S. \$600,000,000 unhedged)
1996-97	1,619,000,000	(includes U.S. \$750,000,000 unhedged)
1997-98	3,048,000,000	(includes U.S. \$300,000,000 unhedged and Swiss Francs 400,000,000 fully hedged).

## GUARANTEES AND INDEMNITIES

## Schedule 12

	In millions	
	1993	1992
Guarantees:		
Debentures and loans (Schedule 16)	\$ 330	\$ 199
Other	17	18
	<u>347</u>	<u>217</u>
Less estimated recoveries, net of future interest and carrying charges	16	6
	<u>331</u>	<u>211</u>
Indemnities:		
Credit union assistance (a)	356	383
Less estimated recoveries	175	175
	<u>181</u>	<u>208</u>
Other	6	23
	<u>187</u>	<u>231</u>
	<u>\$ 518</u>	<u>\$ 442</u>

(a) The Province has agreed to indemnify and fund interest to the extent necessary on \$335,000,000 of debentures issued by S C Financial Ltd. to credit unions in exchange for stabilization preferred shares of the credit unions. The amount of the indemnity is reduced by annual contributions made by the Credit Union Deposit Guarantee Corporation at the direction of the Province of 0.11% of credit union system deposits and borrowings.

The Province has agreed to indemnify S C Properties Ltd. against loss by reason of its obligation to pay interest on notes given in exchange for up to \$350,000,000 in properties purchased from credit unions. To the extent that the net cash proceeds from the sale of all properties do not result in repayment of the full principal amount of the notes, the Province will indemnify any deficiency.



## PENSION OBLIGATIONS

	In millions							
	December 31, 1991			Funding to be provided				
	Actuarial		Net	Non-	Government			
	Liability (a)	Assets (a)	Obligation (a)	government	Contributions	Extrapolation	1993	1992
Pension Plan				Contributions (b)	/Benefits (b)	Adjustments (b)		
Public Service Management	\$1,327	\$ 651	\$ 676	\$ 70	\$ 606	\$ 66	\$ 672	\$ —
Public Service	2,376	1,695	681	167	514	56	570	—
Local Authorities	4,316	3,381	935	655	280	30	310	—
Universities Academic	1,093	782	311	180	131	14	145	—
Special Forces	564	391	173	64	109	11	120	—
	<u>\$9,676</u>	<u>\$6,900</u>	<u>\$2,776</u>	<u>\$1,136</u>	<u>\$1,640</u>	<u>\$ 177</u>	1,817	—
Members of the Legislative Assembly (c)							86	—
Teachers (d)							2,896	—
							<u>\$4,799</u>	<u>\$ —</u>

- (a) Under legislation in force on March 31, 1993, the Province has obligations for payment of pension benefits under defined benefit pension plans for its employees and employees of local authorities and post-secondary education institutions. There are five such pension plans: the Public Service Plan, the Public Service Management Plan, the Local Authorities Plan, the Universities Academic Plan and the Special Forces Plan.

Actuarial valuations of the five pension plans were carried out at December 31, 1991 (the valuation date). One of the purposes of the actuarial valuation was to develop the actuarial liability of each of the pension plans at the valuation date. The actuarial liabilities represented the actuary's estimate of the present value of benefits expected to be paid in the future, attributed to service performed prior to the valuation date. The actuarial valuations reflected the provisions of the pension plans that were in effect at the valuation date. The actuarial liabilities included provision for future cost-of-living benefits equal to 60% of the annual increase in the Consumer Price Index. The valuations were based on a common set of economic assumptions, including a long-term rate of return on pension fund assets of 3.5% over the level of price inflation. This rate was based on a long-term rate of return of 8.5% per annum and price inflation of 2% in 1993 increasing by 0.6% per annum to 5% in 1997 and succeeding years. Demographic assumptions used in the valuation of a plan reflect the experience of the plan. The assumptions used were adopted after consultation between the government and the actuary. Assets allocated to plans represent each plan's estimated share of the market value of the net assets of the Pension Fund at December 31, 1991 amounting to \$6,877,000,000, plus a further \$23,000,000 which the government has agreed to contribute to the Plans (See note (c) below).

- (b) During the 1991-92 and 1992-93 fiscal years, the government and the boards of the five pension plans agreed to proposals for funding the obligations of the plans. The agreements provide for increased contributions from employees and employers to fund current service costs of the plans on an ongoing basis. The government and the boards also agreed to additional contributions from employees, employers and the Province of Alberta to fund the liabilities of the plans respecting pre-1992 service over 45 to 52 years, depending on the plan.

During the 1992-93 fiscal year, the Legislature passed the Pension Statutes Amendment and Miscellaneous Provisions Act, 1992 which authorized the first phase of increased contributions and additional contributions effective August 1, 1992. Subsequent to the year end, the Legislature passed the Public Sector Pension Plans Act (No. 2) which comes into force on proclamation. The parts of the Act which authorize the balance of the additional contributions agreed to by the government and the boards respecting pre-1992 service were proclaimed in force August 1, 1993. The estimated results of implementing in full the agreed-to funding arrangements among employees, employers and the government are set out in this schedule.

Non-government contributions represent the estimated present value of future additional contributions by employees and by employers, other than the government, to be paid over 45 to 52 years depending on the plan.

Government contributions represent the estimated present value of future additional contributions by the government, including its contributions as an employer, over 45 to 52 years depending on a plan, and a residual net obligation totalling \$414,000,000.

The government contributions have been extrapolated to March 31, 1993 for purposes of reporting the government's obligations to pay future contributions and/or benefits under the plans in accordance with the accounting policy described in Note 1.

- (c) The Province has an obligation for payment of pension benefits under a defined benefit pension plan for Members of the Legislative Assembly which terminated future active participation after the year end. An actuarial valuation of the plan was carried out at December 31, 1991. The actuarial liability of the plan on the valuation date amounted to \$55,000,000. The actuarial valuation was based on similar assumptions to those used for the five pension plans referred to above. The termination of participation in the plan is not expected to have a material effect on the outstanding liability.

The obligation as at March 31, 1993 includes \$23,000,000 which the government has agreed to contribute to the five pension plans, and extrapolation adjustments of \$8,000,000.

- (d) Under provisions of the Teachers' Retirement Fund Act, payment of all benefits is guaranteed by the Province of Alberta. An actuarial valuation at August 31, 1992 indicated that Teachers' Retirement Fund assets were insufficient by an amount of approximately \$4,108,000,000 to meet the liabilities of the fund. The actuarial valuation was also based on similar assumptions to those used for the five pension plans referred to above. During the 1992-93 fiscal year, the government and the Alberta Teachers' Association agreed to funding arrangements respecting the unfunded liabilities of the fund. On July 8, 1992 the Teachers' Retirement Fund Amendment Act, 1992 received Royal Assent. The Act repealed the provisions relating to the Province's continuing obligation to fund one-half of the benefits. The Act provides that the Province shall pay 67.35% and the teachers 32.65%, of the annual additional contributions required to eliminate the unfunded liability in respect of pension service at August 31, 1992 on or before August 31, 2060. Based on the August 31, 1992 actuarial valuation the present value of the government's obligation is approximately \$2,767,000,000 and the teachers \$1,341,000,000. The obligation as at March 31, 1993 includes extrapolation adjustments of \$129,000,000.

- (e) On September 1, 1988 the government established a pension plan for provincial judges and masters in chambers. Based on an actuarial valuation at March 31, 1992, the plan had a surplus at that date of \$375,000.

## Schedule 14

## OTHER ACCRUED LIABILITIES

	In millions	
	1993	1992
Future funding to school boards to assist them to repay debentures issued to the Alberta Municipal Financing Corporation	\$1,098	\$ —
Vacation entitlements	150	—
Long term disability benefits	78	—
	<u>\$1,326</u>	<u>\$ —</u>

## Schedule 15

## RESTRICTED PROFITS AND EQUITY

	In millions	
	1993	1992
Profits and equity restricted by:		
Alberta Municipal Financing Corporation Act:		
Profits and Equity (a)	\$ 572	\$ 809
Pension Fund Act:		
Equity (b)	—	6,358
Financial Administration Act:		
Equity (b)	—	43
	<u>\$ 572</u>	<u>\$7,210</u>

- (a) Refers to a portion of Alberta Municipal Financing Corporation's shareholders' equity which is excluded from net assets of the Province and to the cost of common shares held by municipalities, counties, cities, towns, school districts and divisions and hospital boards. Under the Alberta Municipal Financing Corporation Act, the Alberta Municipal Financing Corporation has "the power to pay from time to time, as a rebate of interest, any profits of the corporation to shareholders of the corporation that have borrowed moneys from the corporation or sold debentures of their own issue to the corporation, proportionately as such shareholders made use of the facilities of the corporation over the period in which any such profits were derived".

During the year, the corporation transferred \$300,000,000 of its retained earnings to the General Revenue Fund to provide \$200,000,000 in grants to municipalities under the Alberta Local Employment Transfer program.

- (b) As indicated in Note 2(a), assets and equities of the Pension Fund, the Provincial Judges and Masters in Chambers Pension Fund and the Long-Term Disability Benefit Funds are now excluded from the assets and restricted equity of the Province. The assets of these funds are now taken into account in determining the Province's obligations under pension and other benefit plans.

## Schedule 16

## DEBENTURE AND LOAN GUARANTEES

	In millions	
	1993	1992
Debentures:		
AEC Power Limited	\$ 153	\$ 169
Vencap Equities Alberta Ltd.	33	34
Chembiomed Ltd.	13	13
	<u>199</u>	<u>216</u>
Loans:		
Farm Credit Stability Fund Act	1,432	1,507
Alberta Mortgage and Housing Corporation Act	640	727
Weldwood of Canada Limited	240	279
Students Loan Guarantee Act	216	180
Alberta Newsprint Funding Corporation	199	194
354713 Alberta Ltd.	118	142
Small Business Term Assistance Fund Act	106	155
Magnesium Company of Canada Ltd.	104	103
Slave Lake Pulp Partnership	96	96
Gainers Properties Inc.	53	55
Other under \$50 million	250	322
	<u>3,454</u>	<u>3,760</u>
	<u>3,653</u>	<u>3,976</u>
Less: Estimated liability for principal and accrued interest (Schedule 12)	330	199
	<u>\$ 3,323</u>	<u>\$ 3,777</u>

Note: In addition to the above, guarantees amounting to \$60 million were outstanding at March 31, 1993 in respect of loan facilities for which amounts had not yet been advanced.



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